



# **NORTHWEST TANK SERVICE**

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February 8, 1985

City of Seattle  
Purchasing Department  
Fourth Floor, 400 Yesler Building  
Seattle, Washington 98104

ATTENTION E.R. Jones

Re: RFP 42672

Gentlemen:

Enclosed please find Northwest Tank Service's proposal for PCB Destruction of fuel oil on site at the City Light Lake Union Steam Plant (LUSP). Northwest Tank Service and the companies associated with it for this proposal are pleased to have the opportunity to offer their assistance to the City of Seattle on this important and sensitive project. We believe that with our combined expertise and experience we can offer an economical and environmentally sensitive service to the public. We believe that we can help City Light meet its goal of solving the problem of PCB contamination of fuel oil at the LUSP within the parameters of Environmental Protection Agency (EPA) requirements.

We propose to destroy the PCB oil through incineration. Although our proposal is designed to meet the requirements for an incinerator in 40 CFR§761.70, we would also like to pursue with the City the regulatory permit implications of being treated as an electrical generating facility or a high-efficiency boiler. In accordance with the terms of the RFP, this proposal is conditioned upon an on-site process of incineration and steam generation. As a result of this method, it is our position that we may fall within

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the terms and conditions of permits now held by the City of Seattle for the generation of steam and production of electricity on the site. We will use our best efforts to accomplish the task in the most expeditious manner possible for those elements of the task within our control. Please note, however, that the schedule set forth in the written proposal does not include possible delays for the issuance of various permits which may, or may not, be required. The schedule of implementation set forth in the proposal instead assumes that any necessary permits will be in place prior to equipment procurement and construction. While the proposer will use its best efforts in assisting the City in obtaining the necessary permits in a timely fashion, the enclosed proposal is specifically conditioned on the proposer assuming no responsibility for delays in the project caused by delays in obtaining, or the failure to obtain the permits. In addition, the proposer does not assume any responsibility or liability for new regulatory requirements that become effective after the date of this proposal which affect the cost, scheduling or completion of this project.

The need to so condition this proposal is based on this uncertainty regarding the status of permitting requirements with respect to this project. For example, we are concerned that public pressure resulting from the controversial nature of sodium treatment or incineration of PCBs may result in the requirement of an environmental impact statement for this project. Such a requirement could substantially delay initiation of work at the site in a matter totally out of the proposer's control. Similarly, due to the requirement that any equipment must fit within the LUSP or immediate vicinity, a Shoreline Management Substantial Development permit could be required. There is no indication in the bid documentation as to when such permit might be received and the timing of such permit is again largely out of the control of the proposer.

Additional uncertainties regarding the timing of permitting result from the questionable status of various federal permits. Conversations with EPA officials to date have indicated that this

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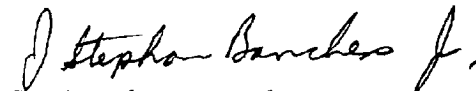
proposal probably will not require a permit under the Resource Conservation and Recovery Act (RCRA) as a treatment facility. It will certainly require a permit under the Toxic Substances Control Act (TSCA). While permitting times for TSCA permits are usually relatively short, if a RCRA permit is required by EPA, as suggested by 48 Fed. Reg. 13184 (March 30, 1983), the permitting time frame could be expanded very substantially. Even if EPA does not require a RCRA permit, one must also consider the possible need to obtain a treatment facility permit from the Washington Department of Ecology. The state regulations may well include the PCB contaminated oil as a dangerous waste which would then require treatment in a permitted facility. Also, test burn requirements for this proposal are very uncertain at this time. If a test burn is required, time delays could also occur under TSCA as well. The proposer can simply not accept the risk of penalty payments for permits. Finally, the proposal will also require an air quality permit from PSAPCA. While such permit is, again, normally obtainable within a relatively short time frame the proposer cannot insure when this would occur.

The proposal is conditioned on successful completion of a negotiated contract with the City. The proposal will remain open until 5:00 p.m. on the ninetieth (90th) day following the date of its submission to the City on the terms outlined in this letter and in the proposal.

We look forward to working with the City on this project, and to destroy the contaminated fuel oil at the LUSP in a safe and expeditious manner. Our proposal does not include the handling and disposal of any contaminated soils. We hereby also acknowledge receipt of Addendum #1 dated January 30, 1985 and will comply with its terms.

Very truly yours,

NORTHWEST TANK SERVICE, INC.



J. Stephan Banchemo, Jr.  
President

JSB:jv

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